



TOWN COUNCIL
Regular Meeting
St. Charles Parish Hall
March 20, 2014
6:00 PM

At approximately 6:00 p.m. Mayor Dora Sullivan, having established a quorum, called to order the Regular Meeting of the Town Council. In addition to Mayor Sullivan, present were Vice Mayor Bannon, Councilmen Bennett, Godwin, Sullivan and Wendell, and Councilwoman Natali. Also in attendance were Accountant Jerry Murphy, Town Planner Rob Testerman, Community Events/Recreation Coordinator Jen Lewis, Chief Jim Pruitt, and Town Clerk Libby Hume. The majority of the Department Heads were in attendance as well as approximately 35 members of the public.

Vice Mayor Bannon gave the invocation which was followed by the recitation of the Pledge of Allegiance.

RECOGNITION OF VISITORS / PRESENTATIONS

Jay Bell, President – Cape Charles Volunteer Fire Company

Mr. Bell began by thanking the Council for their ongoing financial support. This year the Cape Charles Volunteer Fire Company (CCVFC) was asking for \$25K which was the same amount that was being requested from Northampton County. Mr. Bell gave a summary of expenditures including the purchase of rear tires for the two engines at \$450 each, front tires for the ladder truck at \$1,100 each, 10 tires for the tanker at \$7,800, a used brush truck from Greenbackville for \$7,500, a used engine from the City of Chesapeake for \$14,500, as well as other items. The CCVFC was working to replace the turnout gear for the firefighters at a cost of \$2,200 per person. The restrooms had been remodeled in the fire hall with the help of volunteers and donations, and the kitchen would be the next project.

Vice Mayor Bannon asked Mr. Bell if he would be in favor of the Town increasing taxes to provide more financial support to the CCVFC. Mr. Bell stated that he would not be in favor of increasing taxes.

Mayor Sullivan asked about the financial audits. Mr. Bell stated that they were being performed regularly. Town Manager Heather Arcos added that she had received them and would provide copies for the Council.

Carol Evans – Eastern Shore of Virginia Tourism Commission

Ms. Evans distributed invitations to The Sky's The Limit tourism summit being sponsored by the Eastern Shore of Virginia Tourism Commission (ESVTC) on April 8, 2014 at the Eastern Shore Community College. It was an opportunity for businesses and tourism-related organizations to learn to better market themselves. Ms. Evans went on to give the history of the organization of the ESVTC dating back to 1994 and added that the group had been actively promoting tourism for the Eastern Shore. Ms. Evans continued by stating that currently there was a large focus on the space launches which would significantly affect the entire Shore. Virginia was being pushed into a competition with localities in Maryland regarding the space tourism. Bus trips were being planned from Ocean City, MD which was an hour from Wallops Island, but Cape Charles was only 1 hour and 11 minutes from Wallops and there were no better places to watch the launches than from Oyster and the Cape Charles Harbor. The Maryland Tourism Board had a very interactive website for space tourism and the ESVTC was also working on their site.

Vice Mayor Bannon commented that he read a letter to the editor of the Virginian Pilot regarding the Virginia Beach area being called Coastal Virginia and added that the Eastern Shore had much

more shoreline than Virginia Beach. Ms. Evans stated that in the Virginia Travel Guide, the Eastern Shore was referred to as Coastal Virginia Eastern Shore.

Ms. Evans continued by stating that the ESVTC was a Direct Marketing Organization and had opportunities to participate in big media calls in New York City. The Eastern Shore had also been added to Trip Advisor as a destination. The ESVTC was working diligently to develop a strategy to optimize this opportunity. Ms. Evans concluded by thanking the Council for the opportunity to speak.

Marion Naar – Cape Charles Historical Society

Ms. Naar informed Council that there were at least 8-10 museums on the Eastern Shore. They did no marketing but produced a brochure that included all the museums which were available at the Welcome Center. Ms. Naar stated that she had provided the Town with the financials and a list of accomplishments and proceeded to read the Cape Charles Historical Society Funding Request letter. (Please see attached.)

Presentation of Town Seal to New Roots Youth Garden

At the February 20, 2014 Town Council meeting, Ms. Tammy Holloway, President of the New Roots Youth Garden (NRYG), asked the Town for the Town Seal to display on the NRYG fence to acknowledge the Town's support along with their other partners – Cape Charles Rotary, Eastern Shore United Way and the Northampton County 4-H Club. Mayor Sullivan presented the Town's Seal to Ms. Holloway and several members of the NRYG Board.

PUBLIC COMMENTS:

George Proto, 607 Pine Street, President of Cape Charles Business Association

Mr. Proto addressed the Council to clarify recent comments that he had heard regarding the Cape Charles Business Association's (CCBA) position regarding the transient occupancy tax (TOT). Mr. Proto commented as follows: i) The letter sent to the Town Council on March 11 was written with the unanimous approval of the CCBA Board and was the position of the Board at this time. The current Board had representation from a variety of merchant types including retail, food service, lodging and professional services. The letter was written as a direct result of the CCBA being asked if they would support the Cape Charles By the Bay website and marketing. The Board understood that the Cape Charles By the Bay website was designed and built through a grant obtained by the Our Town Committee to promote the Town of Cape Charles but there were no grant funds allocated for support and maintenance of the website. The increase in the TOT was brought forward as a way to do this without putting a direct burden on the citizens or business of the Town and the increase proposal presented to the Council at the March 14 work session included suggested allocations and recipients. The CCBA was not a party in making these recommendations. Although the concerns raised about the impact of an increased TOT were certainly valid, the CCBA Board as a whole believed the whole Town wanted to support tourism and the numerous organizations that had promoted this Town. Promoting tourism also included branding and marketing, support for the Eastern Shore of Virginia Tourism Commission at some appropriate level, print marketing and the tourism website. All these things needed to be paid for which meant one of two things – either the Town redistributed its existing projected revenue so every organization received less or the Town needed to bring in additional revenue. The intent of the original letter was that maintaining the tourism website and marketing of Cape Charles needed to be supported because, in the end, it would bring more revenue into the Town.

Donna Olney Kohler, 711 Tazewell Avenue

Ms. Kohler addressed Council regarding transient occupancy tax. (Please see attached.)

Henry Mayer, 212 Bay Avenue

Mr. Mayer stated that he and his wife owned the Chesapeake Bay View B&B on Bay Avenue and also owned vacation rental property in the Town. They served on a variety of boards in Town and volunteered a lot of their time to events, activities, and to promoting tourism in the Town. Mr. Mayer stated that they were supportive of the increase in TOT by .7% and especially for dedicating

the entire amount of the TOT revenue towards promoting tourism to include the tourism website, events, and organizations like the Cape Charles Museum. Mr. Mayer asked the Council to reconsider the idea of creating a Cape Charles tourism board, commission or committee to focus on tourism to bring organizations together to advise Council regarding funding recommendations and the types of events that needed to be held. Currently, the businesses in Town were doing their own marketing with their own Facebook pages, print advertising, etc. and the establishment of a board could help bring everything together for a coordinated plan to get the maximum punch for the dollars spent

Brooke Binard, 417 Tazewell Avenue

Ms. Binard introduced herself stating that she was from Virginia Beach, grew up loving the shore and coastline and really enjoyed living in Cape Charles. Her family moved here in 2009 from Jupiter, FL to relocate for her husband's job at Bayshore Concrete Products. She had a degree in biology from East Carolina University and another degree in interior design from Palm Beach State College. She worked for Tidewater Community College as a part-time professor online and she was a stay-at-home mom with a 3-year old and an 11 month old. Ms. Binard stated that she loved Cape Charles and really appreciated what the Eastern Shore brought to their lives and was here tonight to propose a weekly farmers' market in Cape Charles. This idea came from her heart and reflected her personal passion to live an environmentally friendly lifestyle. Ms. Binard continued to state that her vision for the Cape Charles Farmers' Market incorporated community, health, education and sustainability and would be a wonderful way to bring the people of the community together on a weekly basis to support our local economy – farmers, watermen, chefs, artists and local small business owners, as well as potentially increasing new entrepreneurs in the area. In addition to increasing the access to local, healthy foods, it would also provide a platform to educate the public and also contribute to the viability of the Town. Ms. Binard requested Council's support and asked if the Town could provide free land or space or allocation of funding for the farmers' market. Ms. Binard also asked for opinions on the best day and time for the market adding that she did not want to interfere with the Town's events. Ms. Binard thanked Council for their support.

Councilman Godwin asked about the space and whether she wanted to lease space. Ms. Binard responded that to save costs she would donate her time to organize things and would be the market manager but wanted the money earned to go back in the pockets of the farmers and other participants in an effort to bring the community together and to provide a place to obtain healthy food, healthy products, and a fun family-friendly atmosphere which would be good for the Town.

Councilwoman Natali pointed out that the Town's Comprehensive Plan included a farmers' market area and had previously encouraged Ms. Binard to talk to the Harbor Master regarding whether there was an opportunity to put the farmers market at the Harbor near the proposed fish market so people could get their fresh vegetables and fresh fish in the same area.

Mayor Sullivan suggested that people could go to the NRYG to get their fresh vegetables and then go to The Shanty for a beverage and fresh fish.

Vice Mayor Bannon suggested a possible location across from NRYG in the lots potentially being purchased by the Town.

Larry Veber, 507 Tazewell Avenue

Mr. Veber addressed the Council and audience regarding the negative comments that were consuming the Town. Mr. Veber stated that he was recently talking to two people who were very impressed with Cape Charles and loved everything about the Town except they told him that they had read in the *Cape Charles Wave* that the Town was going bankrupt and was in serious trouble. Mr. Veber went on to state that he download the most recent financial audit from the Town's website and looked at the ratio of debt to see if the Town was really in serious trouble. The ratio of debt to assets was 1.42% which meant that out of every dollar of assets, the Town owed 1.4¢ and he did not think that was a serious problem. The Town spent money for sand at the beach, improvements for water and the new sewer plant, the new library, and Central Park which were all

improvements to the Town. Mr. Veber gave a copy of the report to Ms. Dorie Southern of the *Cape Charles Wave* and told her that the *Wave* was very important to the Town but the Town needed it to give the information without editorializing. Mr. Veber continued to stated that he was listening to all the comments about how the Town was in trouble when it wasn't. There was a group out there that kept talking about it and it was hurting the Town. Mr. Veber added that in his opinion, it was having a tremendous negative affect on Cape Charles and whoever was behind this was not doing anyone a service. Mr. Veber concluded by stating that he was leaving the audit information on the table for people to review and thanked Council for the opportunity to speak.

Lenora Mitchell, 309 Tazewell Avenue

Ms. Mitchell began by stating that she believed that the Mayor and Council were responsible individuals and added that she was concerned about the \$11.79M bond debt that would not be paid off until 2034 when she and some others would be almost 100 years old. Ms. Mitchell went on to state that she believed that the Mayor and Council had the community's interest and needs at heart and that they had a vision for Cape Charles with a master plan to realize that vision. Every decision made and every dollar spent was getting the Town closer to the vision but the only problem was that the vision had not been shared with the citizens. Council was determining what was needed without allowing citizen participation in the decision making process. Public hearings were a formality because Council had already made the decision. Resolutions were already drawn up and the contracts were prepared and Council moved forth to seal the deal without any deliberations or considerations of citizens' remarks and concerns expressed during the public hearings. Ms. Mitchell continued to state that, since Council was on a spending jag and thanked Larry Veber for saying that the Town had money, she was requesting the following: i) Council provide a lot for the promised basketball court. It was sad to ride through Town and see little kids bouncing their balls in the street and shooting them up in the air. A basketball court was not just for the kids but for some adults as well; ii) Council consideration to purchase the old Meatland and the Bayshore Market buildings which both have parking lots. One could be used as a community center and one for a grocery store. Staff could develop an incentive package that might entice a grocery store to come to Town; and iii) Council purchase some open space for another park where kids could play sports and citizens could participate in other physical activities. Ms. Mitchell concluded by thanking Council for the opportunity to speak.

Deborah Bender, 300 Fulcher Street

Ms. Bender addressed Council regarding various issues. (Please see attached.)

Town Clerk Libby Hume read a letter from Lemoin Cree, Principal Broker of Blue Heron Realty. (Please see attached.)

There were no other public comments to be heard nor any additional written comments submitted prior to the meeting.

CONSENT AGENDA – APPROVAL OF AGENDA FORMAT:

Motion made by Vice Mayor Bannon, seconded by Councilman Bennett, to approve the agenda format as presented. The motion was approved by unanimous consent.

CONSENT AGENDA – APPROVAL OF MINUTES:

The Town Council reviewed the minutes of the February 20, 2014 Regular Meeting, the February 28, 2014 Special Meeting, the March 6, 2014 Budget Work Session, the March 10, 2014 Executive Session and the March 13, 2014 Work Session.

Motion made by Councilwoman Natali, seconded by Councilman Godwin, to approve the minutes from the February 20, 2014 Regular Meeting, the February 28, 2014 Special Meeting, the March 6, 2014 Budget Work Session, the March 10, 2014 Executive Session and the March 13, 2014 Work Session as presented. The motion was approved by unanimous consent.

DEPARTMENT REPORTS:

A. *Treasurer's Report:*

Accountant Jerry Murphy reviewed the Treasurer's report dated February 28, 2014 which showed \$761,795 in the Shore Bank checking account, \$96,579 in the Shore Bank checking account for reserved facility fees, \$68,515 in the Local Government Investment Pool (LGIP) account for the Library and \$440,685 in the Local Government Investment & Restricted Funds with the Total Cash on Hand at \$1,367,574. The total cash held in reserve was \$356,133. Jerry Murphy went on to review the Tax Collection Comparison for Fiscal Years (FY) 2013 and 2014, the Revenues vs. Expenditures, the Capital Improvement Projects, the 2013 real estate tax collections, and the 2013 personal property tax and 2014 license tax collections.

Motion made by Councilman Wendell, seconded by Councilman Bennett, to accept the Treasurer's Report as submitted. The motion was approved by unanimous consent.

B. *Planning Commission and Boards:*

Town Planner Rob Testerman reported the following: i) He and Heather Arcos met with Elaine Meil of the ANPDC regarding the Comprehensive Plan Update. The first meeting with the Planning Commission and the ANPDC representatives would tentatively be held in April; ii) The Historic District Review Board met on March 18 and approved applications from the Bay Haven Inn to remove a non-functioning chimney which was a liability and a new home on a vacant lot on Tazewell Avenue; iii) The ANPDC received funding for a feasibility study for the extension of the Bike Trail along Route 13; and iv) The County scheduled the Hazardous Waste Collection for May 10th from 12:00 PM to 2:00 PM at the Birdsnest Convenience Center.

Vice Mayor Bannon asked about the number of new homes being constructed in the Bay Creek neighborhood. Code Official Jeb Brady stated that six permits for new homes had been issued over the last six months and he was expecting three more over the next six months.

Mayor Sullivan asked Rob Testerman about the Town's actual communications with the gentleman who was interested in opening a veterinary practice in town. Rob Testerman stated that he has spoken to the gentleman regarding a zoning question on parking standards for the Lan Par building. Rob Testerman added that he sent a letter stating that the parking standards were fine and the zoning was appropriate for his proposed use. Mayor Sullivan asked whether the subject of connection charges were discussed. Rob Testerman stated that he only discussed the zoning issue and to his knowledge, he was the only staff person who spoke to the gentleman.

C. *Other Departmental Reports:*

Librarian Ann Rutledge distributed the Summer 2014 Events Schedule to Council and added that NASA would be holding programs at the Library this summer.

Public Works/Public Utilities Director Dave Fauber reported the following: i) The Fishing Pier repair bids were due on March 21 by 2:00 PM. The request for proposals was divided into four categories – demolition, electrical, concrete and construction of the pier. The Town had a deadline of May 26 from FEMA to complete the work; and ii) The renovations on the former library building were expected to start next week. The contractor had to complete another job before starting this project.

Councilman Bennett asked about the emergency generator for the water plant. Dave Fauber stated that it had been ordered and should arrive within 5-6 weeks.

Councilwoman Natali asked about the planting area along Mason Avenue. Dave Fauber stated that he had been talking to Ben Lewis and the area would be very attractive once completed.

Councilman Sullivan asked about the grinder. Dave Fauber stated that it had not been ordered yet.

OLD BUSINESS

A. *Town Code Modifications - § 66-57 Transient Occupancy Tax – Set Public Hearing*

Heather Arcos stated that Town Council held a work session on March 13, 2014 and discussed several options regarding transient occupancy tax (TOT). The consensus was to increase the TOT by .7% for a total TOT of 3.7%, and to replace the language in the Town Code which currently dedicated 1% to the Eastern Shore of Virginia Tourism Commission (ESVTC) with language stating that the revenue collected from the TOT be allocated for tourism-related initiatives. Council would continue to provide annual support to the ESVTC, but some of the revenue generated by the TOT would be used to promote tourism-related initiatives within the Town. Although the creation of a Cape Charles Tourism Board could possibly be a good resource and provide marketing support for tourism, Council was in agreement that it was premature for the Town at this time.

Council reviewed the proposed modifications for Town Code §§ 66-55 through 66-76. There was much discussion regarding § 66-57 regarding use of the revenue collected from the TOT. Several of the Council members felt that funding assistance for non-profits could be included but after further discussion, the majority consensus was to allocate the TOT revenue for tourism-related initiatives since the revenue came from tourists visiting the Town.

There was some discussion regarding the effective date of the ordinance, if approved, to allow the businesses who were responsible for collecting the tax time to update their systems, websites, etc. The majority consensus was for an effective date of July 1, 2014.

There was also some discussion regarding the 1% currently designated to the ESVTC from the Town as well as the amount being provided by Northampton County (\$114,723), Accomack County (\$86K) and the Town of Onancock (\$2,750). The Town of Chincoteague did not contribute any funding directly to the ESVTC. They paid a portion of TOT to Accomack County which was included in the County's funding to the ESVTC.

Motion made by Vice Mayor Bannon, seconded by Councilman Godwin, to schedule a public hearing for April 17, 2014 immediately preceding the Town Council Regular Meeting regarding the modifications to Town Code Sections 66-55 through 66-76 – Transient Occupancy Tax as discussed. The motion was approved by majority vote with Councilmen Bennett and Wendell opposed.

NEW BUSINESS:

A. *Northampton County Ad-Hoc Emergency Care Committee Report to Board of Supervisors*

The Report to Study Alternatives for Providing Emergency Care in Northampton County was provided in the agenda packet for Council review.

Mayor Sullivan stated that she sent a letter to all the incorporated towns in Northampton County last year requesting their support to send a request to the Northampton County Board of Supervisors asking them to issue a request for proposals (RFP) for emergency services in the County. All the towns expressed their support with the exception of Nassawadox. The request was sent to the County Administrator.

In light of the recommendation of the Ad-Hoc committee, Mayor Sullivan suggested that the Town issue an RFP for a free-standing emergency room similar to the RFP issued for the restaurant at the Harbor. An emergency room was very important to the Town's residents and those of the lower County and the lack of a hospital or emergency room would negatively impact the decision of anyone considering purchasing property and/or moving here. Mayor Sullivan continued to state that this issue would be on the April Council meeting agenda and

asked for Council's agreement to issue an RFP. Mayor Sullivan asked Mr. Peter Lawrence to speak more on the subject.

Mr. Lawrence stated that the least expensive option was a trauma center or free-standing emergency department which would be open 24/7 or at least from 7AM – midnight. If someone was involved in an accident here, even if an ambulance was immediately available, the time to transport the individual would most likely be beyond the golden hour. This would not be a profit-making operation but would need to be subsidized by private donations. If the County wouldn't do anything, the Town needed to. Lack of a trauma center would have a negative impact on economic development.

Councilman Wendell commended Mayor Sullivan on her efforts and stated that if Council felt that the County stopped short, the Town could issue an RFP to obtain the proposals and schedule a meeting with the Board of Supervisors to discuss the proposals and issues further. This would need to be a County-wide initiative, not just the Town.

Heather Arcos stated that the County would be revisiting the Ad-Hoc Committee's recommendation next month and would be deciding on a plan of action based on the committee's recommendation.

Mayor Sullivan left the meeting after this discussion.

B. *Acquisition of Fig Street Lots:*

Heather Arcos stated that in June 2010, the Town Council entered into a lease agreement with Bay Creek LLC to lease 7 lots on the corner of Fig Street and Randolph Avenue with the first right of refusal to purchase the property if at any time Bay Creek decided to sell the property. A letter dated February 10, 2014 was received from Mr. Richard Foster of Bay Creek LLC and HJ Rail LLC offering the sale of the property to the Town, as outlined in the lease agreement, for a sum of \$100K. If the Town failed to accept the offer, the property would be marketed for sale. This issue was initially discussed by Council at the March 10, 2014 Executive Session and the general consensus was for the Town to move forward with the acquisition of the parcels. The Cape Charles Comprehensive Plan, adopted June 2009, recommended the intersection of Fig Street and Randolph Avenue be utilized for a traffic roundabout. The parcels were currently maintained as open space and contained the Town's welcome sign and plantings. There was sufficient funding in the FY 2014 Budget under the Cape Charles Community Trail Project. The final approval of this project had been delayed since VDOT review and approval was required for each step of the process and anticipated construction would not begin until the next fiscal year. Staff anticipated approximately \$50K to be expended on the Trail project this year. The remaining \$100K would not be utilized this fiscal year and could be transferred to the Town Manager budget for the acquisition of these parcels. As part of the purchase price, the Town was working to collect delinquent real estate taxes which amounted to approximately \$61K. Council could make the purchase contingent upon payment of the delinquent taxes.

Councilwoman Natali stated that she had called Paul Skolnick, acting treasurer, regarding delinquent taxes and was informed that because of the sale of the Bay Creek Marina and other properties, the County's records had not yet been updated to reflect the new ownership and the exact amount of taxes owed by Bay Creek LLC could not easily be determined.

Councilman Bennett requested that Resolution 20140320 be modified deleting the fourth "Whereas" and the language regarding the proposed construction of a traffic roundabout as stated in the Comprehensive Plan and VDOT's 2020 Transportation Plan from the fifth "Whereas." Councilman Bennett also suggested that a condition of purchase was needed deducting the amount of the back taxes from the purchase price. Councilwoman Natali and Vice Mayor Bannon agreed with the modifications to the Resolution as proposed by Councilman Bennett.

Councilman Wendell stated that the \$100K would be better utilized in a contingency fund and the Town sign could be moved to the Cape Charles Museum. There was more of a need for parking in the downtown commercial area.

Motion made by Councilman Bennett, seconded by Councilwoman Natali, to adopt Resolution #20140320 authorizing the acquisition of the Fig Street parcels for \$100K less the amount of delinquent taxes owed with the deletion of the fourth "Whereas" and modification of the fifth "Whereas" as discussed. The motion was approved by majority vote. Roll call vote: Bannon, yes; Bennett, yes; Godwin, yes; Natali, yes; Sullivan, yes; Wendell, no.

C. Name for Former Library Building:

Heather Arcos stated that staff had researched the former library building in an effort to find historical information that could be used in the naming of the building. As of this time, there was not enough information to assist in the naming of the building. The building was the First Presbyterian Church in Cape Charles and the first service was held in 1901. The church was moved in September 1926 and the building was sold to the Northampton County Memorial Library for \$5K and the Library was opened October 8, 1926 in honor of World War Veterans. In December 2008, the name of the library was changed to the Cape Charles Memorial Library.

Jen Lewis stated that she had sent out emails requesting recommendations for names and a number of names had been reviewed including Town Hall, Community Center, Civic Center, etc. A historic name could not be determined so staff opted to go with a basic name identifying the proposed use of the building and "Cape Charles Meeting Hall" seemed to be the most appropriate.

There was some discussion and Vice Mayor Bannon suggested that the Council think about the names for another month. Several of the Council members did not like "Hall" and a larger facility was needed for Civic Center or Recreation Center. Council agreed that "Cape Charles" needed to be in the name that was eventually chosen.

Motion made by Councilman Bennett, seconded by Vice Mayor Bannon, to table the naming of the former library facility for one month with further discussion at the April Council Regular Meeting. The motion was approved by unanimous consent.

MAYOR AND COUNCIL COMMENTS

Vice Mayor Bannon commented on the upcoming election and whether it would be a dirty or constructive election. So far, it was looking like it would be a dirty election. There needed to be a vehicle for the truth to be disseminated but currently there was no such vehicle. The information being put out was slanted and the Town Council had been called liars and babbling idiots. Things had been said and there had been innuendos which were all negative. At a recent Council meeting, Mr. Eyre Baldwin told Ms. Dorie Southern to sit next to him so he could make sure she had the facts correct. God, Mohammed and humankind did not like ugly.

Councilman Godwin commented regarding the budget and the innuendos and comments saying that the Council needed to cut spending. If the people making these comments were sincere, they needed to provide ideas and numbers. People should not just say to get rid of this or that. Council could tell staff to cut \$200K from the budget and staff would review the various services and provide solutions and scenarios on what could be cut. If Council was unhappy with the budget, they needed to tell staff what they wanted so something could be done. Councilman Godwin concluded by stating that he did not want to talk about the same issue at every meeting.

Councilman Wendell commented as follows: i) He wanted to expand on the good news about the Bike Trail and commended Rob Testerman for following up on the project. This project was initially proposed 20 years ago but there was not enough support from the Board of Supervisors so the project was dropped. It would be good to expand the trail into Town which would bring tourists into Town. It could be a gateway for the State Park, Cheriton and Cherrystone

Campground. Cape Charles should be the southern hub of the Artisan Trail; ii) The farmer's market was an excellent idea but he felt that it belonged in downtown Cape Charles; iii) He wanted to echo Vice Mayor Bannon's comments regarding a positive discussion of ideas going forward to the May election; iv) He had reservations regarding recent plans to borrow additional money over the \$11.79M and hoped that the real estate values held so the debt to asset ratio stayed the same; and v) If the Town had volunteers to staff a Tourism Committee to bring ideas to the Council, he was open to form such a committee to make Cape Charles a better town.

Councilwoman Natali commented as follows: i) She liked the idea of having a farmer's market in the Town; ii) She liked the idea that the Town was going to see the Bike Path coming into Town; iii) She had heard of the ongoing construction and more starting which was great news; iv) It seemed that things were looking up for the Town. There were very few storefronts on Mason Avenue that weren't operational or in the process of becoming operational; v) She wanted to see the Town continue to do what we could to move forward; vi) South Port's Cape Charles Yacht Center was supposed to open sometime in April and that was good news. It was another business opening in Town which would employ more people; vii) Bayshore Concrete seemed to be gearing up. They had won contracts and were bringing on more employees; and viii) The other day, she saw orange flags on the north side of Stone Road and she was assuming it was the sidewalk project to enable the residents of Heritage Acres to get safely into Town.

Councilman Bennett stated that he wanted to add that he was fully supportive of creating a Tourism Committee as an advisory body to the Council. It should be structured like the other boards where individuals applied to be on the committee. Council would interview the individuals and the members with representatives from the hospitality/hotel industry, food service, and other businesses. There should also be citizens at large who weren't connected to any business or industry. Just because Council had not yet moved to create this committee did not mean that Council was not thinking about it.

Councilman Wendell stated that he wanted to reiterate how he felt about the farmer's market idea and was thinking of a new idea for his building/storefront in the downtown and wanted to talk to Ms. Binard after the meeting.

Vice Mayor Bannon commented that he was looking forward to the bike path coming into Town and had supported Councilman Wendell in his efforts for the bike trail since 1992.

ANNOUNCEMENTS

- March 27, 2014 – Town Council Budget Work Session, 3:00 PM, Town Hall
- April 3, 2014 – Town Council Budget Work Session, 6:00 PM, Town Hall
- April 5, 2015 –Boating Safety Class for Kayaks at VIMS in Wachapreague. If interested, please contact Ron West.
- April 10, 2014 – Town Council Budget Work Session, 3:00 PM, Town Hall
- April 17, 2014 – Town Council Regular Meeting, 6:00 PM, St. Charles Parish Hall

Motion made by Councilman Bennett, seconded by Councilwoman Natali, to adjourn the Town Council Regular Meeting. The motion was approved by unanimous consent.

Mayor Sullivan

Town Clerk

Presentations and Public Comments Provided in Writing
March 20, 2014

Cape Charles Historical Society
P. O. Box 11
Cape Charles, Virginia 23310

March 4, 2014

To: Town Council Members
Dora Sullivan, Mayor
Heather Arcos, Town Manager

From: Marion Naar, President/Treasurer – Cape Charles Historical Society

Re: CCHS Funding Request for FY 2014/2015

The Cape Charles Historical Society requests an allocation of \$15,000 to partially fund a full or part-time professional director for the Historical Society. Focus of the position would be to use the Cape Charles Crater and related critical climate issues to obtain funding for a permanent educational facility and its support.

Right now Cape Charles now has a major opportunity. It is unique, timely, and important – and not just for tourism and local living. The opportunity comes from the current unprecedented sea level rise, which is taking place all along the east coast but is highest in Hampton Roads and the Eastern Shore. A recent NY Times article reported sea level rise in Hampton Roads at over 1.5 inches every 10 years, and close to that on the Eastern Shore. At the same time there is heightened interest in the Cape Charles crater of 35 million years ago, which as a possible contributor to land subsidence may well also be a factor in sea level rise. The February issue of Chesapeake Bay Magazine has an excellent article on the crater, a point noted by the Cape Charles Rotary Club, which has made the crater its 2014 service project.

Given the importance of sea level rise, there is a real need for public education and awareness – a place and support personnel to deliver this education. It could include dramatic simulations of the crater impact and models of the impact of sea level rise on the region as well as lectures – both live and on video. Our previously planned Country Store Museum Annex, reborn as the CC Crater Annex, might serve – or it could be something bigger. Cape Charles can take it on and create such a institution or daily while some institution across the Bay does so first.

Foundation, state and/or federal funding would be essential to building and maintaining such a facility, and evidence of local support is a prerequisite for any funding request to outside agencies. Existence of a professional director would be that evidence. That director would then make procuring project funding a major activity, in addition to much needed museum work. State funding for museums is beginning to come back after several years of near zero funding, and given the importance of this issue, might again be possible if enough pressure were brought to bear on the Legislature. Conversely, without assurance that CCHS has in place a professional director, no state or federal agency would consider funding any such project.

We thank you for consideration of this request, and welcome any questions you may have.

Donna Olney Kohler, 711 Tazewell Avenue

My name is Donna Olney Kohler and I live at 711 Tazewell Avenue. My home is also operated as Fig Street Inn which has been in business since May 2011.

I attended the March 13th work session in which a proposed transient occupancy tax was discussed by Council. I would like to share some information before the Public Hearing and vote that I hope you will consider in your discussions.

You were provided a pro-forma with projected increases ranging from .7% to 1.7%. Those were provided to demonstrate how much money could be generated by a TOT increase and what types of projects could be

funded. In my opinion, they were not an endorsement by any person or group saying that one increase is better than another.

At that session, Council unanimously agreed to consider a .7% increase. The average daily rate for Fig Street Inn in 2013 was about \$153. Even if I speculate that my average daily rate would increase to \$160, a .7% increase in transient occupancy tax equals an additional \$1.12 per night to a guest. I do not believe \$1.12 will prevent someone from staying at my inn, from visiting Cape Charles, or persuade a potential guest to stay outside the Town limits vs. in town.

As a business that is responsible for collecting this tax, I would consider support for an increase. My concerns about this tax increase are how those funds will be spent and the process by which they will be allocated. I believe that some of those funds need to be dedicated to the branding and marketing of Cape Charles, specifically the Cape Charles By the Bay initiative.

I do need to say, if you are not already aware, that I have been involved with Cape Charles By the Bay since its beginning. I helped write the grant to the Virginia Tourism Corporation for its funding. I wrote the initial marketing plan, with Ned Brinkley's help, and my business was one of the initial contributors. I am the one who created and maintains the social media for the initiative. This request may come across as self-serving, but I believe in this project, and I hope that the other 20+ businesses and organizations who gave initial funding do as well.

The businesses came together to create a consistent brand and message for the town and that should be sustained if we want TOT and meals tax collections to continue to increase. It was pointed out in the March 13th session that if costs were to be paid only by the businesses involved, the cost would be \$785 per year. Even if we were to increase participation to 40 businesses, the cost would be \$450 per business per year. Those amounts are not realistic for many Cape Charles businesses.

I believe any ordinance to increase the transient occupancy tax needs to address funding for the continued maintenance and support of the Cape Charles By the Bay initiative.

I invite the Council to contact me with questions regarding Cape Charles By the Bay and I am happy to answer what I can.

Thank you,
Donna Olney Kohler
Fig Street Inn
711 Tazewell Avenue
Cape Charles, VA 23310
757-331-3133
donna@figstreetinn.com

Deborah Bender, 300 Fulcher Street

It seems that Town Council does not know the old proverb, "A fool and his money are soon parted." Cape Charles Town Council needs to find a new negotiator for real estate transactions. Council seems to fall for every developer that comes along with a bright idea for something that the Town should buy or sell.

The latest offer that we know about comes from Dickie Foster who wants to sell the town seven lots at the entrance to town for \$100,000. Is that a deal? We hear that the town needs to snap up this offer before someone else buys the property, but I'm not buying that argument.

Where are all the buyers to purchase the lots coming into town before the museum? Where is the buyer for the old Meatland building or the clinic behind it? You should call Mr. Foster's bluff and tell him to sell the lots if he can. My guess is they would still be for sale five or six years from now at \$100,000.

Two and half years ago you negotiated in secret to sell our historic old school in Central Park for \$10. That property was seven lots, part of a street and part of the park. All that for \$10.

But what are the needs of the people of Cape Charles? We need sidewalks for the residents of Heritage Acres so that they can get to and from town safely. That was raised at a town council meeting more than a year

ago, but there are still no sidewalks.

The citizens of this town deserve water that they can actually drink.

Our town needs parking on Mason Avenue for shopper and visitors. Have you looked into buying the old Be-Lo property or are you waiting for someone to come along and make an offer?

The town does not need a non-historic traffic circle at the entrance to town, so we don't need to make a foolish expenditure of \$100,000 borrowed dollars. We need to hold the line on taxes, spending and water bills.

We've had enough of the town borrowing and spending without a needs assessment and without consulting the people who live in this town.

Lemoin B. Cree, Principal Broker, Blue Heron Realty, Co.

Dear Ms. Arcos,

I am writing to you pertaining to the proposed Cape Charles Transient Occupancy Tax increase from 3.0% to 3.7%. I believe you will be attending the Town Council meeting on Thursday, March 20, 2014 at which time a vote on the proposed tax increase is planned. Therefore, I would like to ask you to copy of read my email to the Council members.

First, I really think that the proposed tax increase in all likelihood will be counterproductive resulting in the loss of some rentals. It is our experience that renters who vacation here do so because they can rent her for a little less than in other areas. Accordingly, landlords find that they are restrained in the amount they can charge even though they have high operating costs and lots of wear and tear on their homes. While Vacation Rentals have come into their own in Cape Charles, it is our opinion that this business is still somewhat fragile. We think the proposed tax increase will be a negative factor in the stabilization of these rentals which everyone seems to agree are important to Cape Charles and Cape Charles businesses.

Second, if Council is determined to impose this tax increase, I recommend that it not commence until January 1, 2015. We and others have booked many Cape Charles Vacation Rentals at the 3% rate and have many leases out at this rate. A tax increase before this date will impose the new portion of the tax on the landlords because it is too late to charge tenants who have already booked. Most rental reservations are made in the first 3-4 months of the year. In addition, a tax increase will be expensive and time consuming for us because we will have to redo our multiple website quotes, leases, computer programs and bookkeeping. Providing time to prepare for this increase next year seems reasonable to us.

Thank you for your consideration.

Lemoin B. Cree
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